

Dear Councilmembers,

The Studio City Neighborhood Council (SCNC) objects to the exemptions being considered in the Municipal Lobbying Ordinance for 501(c)(3)s and 501(c)(5)s. It is colluding with these special interests that has brought unparalleled shame and corruption to the halls of City Government in Los Angeles and made us an international punchline to jokes about political corruption. For the so-called “reformers” to be promising transparency to the public out of one side of their mouths while bargaining with outside organizations out the other is unconscionable. That this behavior is normalized at City Hall is the problem. It confounds us that the LA County Federation of Labor, literally caught on tape as a bad actor, would have the audacity to push for exemptions and that Councilmembers purporting to fight for transparency and the public good would entertain their requests.

It is not the SCNC's opinion that all Non-Profit organizations and Labor unions are bad, however it would be naive to believe that the bad apples among the bunch will not take advantage of any loopholes allowed. One only has to look at recent examples. We have former Councilmembers in jail or awaiting sentencing over their entanglements with lobbyists, while others are on trial . The proposed 501(c)(5) exemptions do not meet the needs of our beleaguered City and do nothing to promote the public interest, nor our faith in you as our leaders. The current MLO already allows a tailored exemption for labor unions negotiating their contract with the city so long as a member of the city council or their staff are not in attendance. The proposed 501(c)(5) exemption would exempt all activity including that which has nothing to do with their contracts and would exempt labor unions who do not have a contract or proposed contract with the City.

The LAPPL and LA Fed are already two of the most powerful entities in LA City politics, they do not need your help. A review of the top 20 most populous US cities' and the top 10 CA cities' lobbying laws can find no exemption similar to what is being proposed by Council President Krekorian. Those that do have a labor union exemption show that it is carefully tailored around contract negotiation or employee representation and is not nearly as broad as what LA City is suggesting. Labor has the resources and staff to navigate the lobbying rules. The proposal for 501(c)(3)s would not exempt truly small non-profits from reporting duties, which the majority of neighborhood councils filing CIS's have advocated for. When looking at other cities, 501(c)(3) exemptions are the exception, not the rule.

We have already seen non-profits used as a front for big business interests in both LA and other cities when corporations offer a grant or donation in exchange for the lobbying efforts of that charity. Non-profits are already allowed a significant amount of exempt lobbying activity. For example a non-profit with \$500k in expenditures can spend up to \$100k lobbying and those with \$2M in expenditures can spend up to \$250k. In addition, the non-profit would still have to have \$5k of staff labor lobbying before falling under the MLO. Reaching out on certain topics incidentally would not be considered lobbying, which provides protection from reporting requirements.

Exclusive of some narrow exemptions, non-profits are CURRENTLY not exempt from the MLO, so why are we, a City with an alarming current track-record for corruption, opening up loopholes? City Council should not be attempting to create a system in which lobbyists can give them gifts and donations, and bundle donations with no further reporting. This is indefensible given the LA Fed's role in the leaked Fed tapes in which they conspired (lobbied) to rig our districts and disempower the working-class voices they so ardently claim to represent. The argument that lobbyists should be able to be appointed to commissions sets the City up for Government Code 1090 violations as you can only serve one master. State code would still apply and a duty to recuse would still apply in the

case of conflict of interest. We strongly feel that those whose primary duty is lobbying for their employer do not have a place on commissions and must be treated as lobbyists.

The SCNC is tired of commissions full of double dealing political appointees. Are you really trying to make the argument that in a City as richly diverse, talented, and experienced as Los Angeles, lobbyists are the only option for qualified commissioners? Would it be okay for a lobbyist to be on the Ethics Commission? We already know the LA Fed was pulling the strings on redistricting, maybe the transparency you desire is them openly sitting on the commission? This is not a war against lobbying. Lobbying has its place, but Angelenos deserve transparency and ethics. The City has a black eye and the response should be commensurate with the scope of our problems. The proposed wide ranging exemptions for special interests represent exactly the kind of corruption that Neighborhood Councils have been so enraged by. That the LA City Council would bend to the whims of some of the most powerful players in LA politics while framing themselves as protecting the common Angeleno should be surprising, but it is not. It's what we've come to expect. We dare you to prove us wrong.

Thank you for your consideration of this topic,

**Scott Mandell, President
Studio City Neighborhood Council**